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#### IV. Conclusions

A. The principal personnel ceiling problems which are foreseeable at this time are: (1) to adjust downward to the [REDACTED] figure, (2) to provide some part of the immediate DD/R requirement and establish a policy with respect to other pressures in FY 1963 for ceiling relief, and (3) to arrive at a decision as to whether to support either the personnel level of [REDACTED] as proposed in the FY 1964 Budget or some different figure. 25X1A1a

B. In deciding the personnel level appropriate for the Agency, some consideration of various factors, militating for and against a reduction in its size may prove helpful and are discussed in Annex B.

C. As reductions can only be accomplished over a period of time and as both requirements and availability of additional personnel for new or expanded programs are difficult to forecast with exact precision any new adjustment of ceiling should probably provide for a central pool or reserve of positions allocable at the discretion of the DDCI.

D. Official reports of progress achieved by components in eliminating activities and positions will help to ensure attention to this important aspect of management.

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V. Recommendations

A. It is recommended that:

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1. An FY 1963 Agency ceiling of [REDACTED] be re-established as proposed in paragraph III.A.

2. Existing requirements of components, particularly the DD/R, for additional personnel, after review by the Financial Policy and Budget Committee, be submitted to the DDCI as over-ceiling requirements.

25X1A1a

3. In negotiations with the Bureau of the Budget, the DCI support the figure of [REDACTED] as required to provide sufficient headroom to accommodate anticipated requirements to despite offsetting reductions to be expected from economies.

4. ~~That~~ The DDCI request a report by 19 November 1962 from major components as to action taken by each component, on the basis of the [REDACTED] Task Force or otherwise, to reduce manpower requirements through the elimination of activity or by measures calculated to improve efficiency.

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<p>Herewith a draft of a paper to be discussed at an executive meeting of the Financial Policy and Budget Committee this afternoon.</p>			
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John A. Bross, Comptroller			10/31/62
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